

**CITY OF SHOREVIEW
MINUTES
REGULAR CITY COUNCIL MEETING
December 5, 2016**

CALL TO ORDER

Mayor Martin called the regular meeting of the Shoreview City Council to order at 7:00 p.m. on December 5, 2016.

PLEDGE OF ALLEGIANCE

The meeting opened with the Pledge of Allegiance.

ROLL CALL

The following members were present: Mayor Martin; Councilmembers Johnson, Quigley, Springhorn and Wickstrom

APPROVAL OF AGENDA

MOTION: by Councilmember Johnson, seconded by Councilmember Wickstrom to approve the December 5, 2016 agenda as submitted.

VOTE: Ayes - 5 Nays - 0

PROCLAMATIONS AND RECOGNITIONS

There were none.

CITIZEN COMMENTS

Mr. Richard Braun and Mrs. Sharon Braun, 3535 Rustic Place, stated that they are speaking for themselves and their neighbors to inform the Council about what has been taking place in the neighborhood since the Elevage project was approved. Up until Elevage purchased two homes on Rustic Place that became vacant, there was little or no crime to report for Neighborhood Crime Watch volunteers. However, once vacant, the homes have been vandalized, then used for training by the Lake Johanna Fire Department and SWAT team, and eventually the homes were burned down by the fire department. The owner has done little to clean up the property. After complaints to the City Council, a dumpster was brought in which is still on the property. Part of the fencing is down. The area continues to attract trouble. Neighbors are reporting tampering with mailboxes, mail stolen, strangers loitering on the corner of County Road E and Rustic Place,

trespassing, strange vehicles cruising through the neighborhood, strangers walking the street at night and shining flashlights into homes. The Ramsey County Sheriff's Department now recognizes this as a problem area. Whenever Neighborhood Watch Captains are notified of an incident, it is required that an alert be sent out. The increased incidents has made that job time consuming and frustrating.

Prior to approval of the Elevage project in March 2016, the neighborhood was quiet. Once people moved in, they did not leave. The neighborhood is being compromised while waiting for the Elevage project to begin. The project start date keeps getting delayed. Neighbors do not feel safe and have taken measures to install motion detector lights and even leave porch and house lights on all night. Younger families are concerned about their children. **Mr. and Mrs. Braun** requested Councilmembers to visit the neighborhood to see what is happening and think about how long they would want to put up with such a situation in their neighborhoods.

Mayor Martin noted that Elevage reported their project schedule at the Economic Development Authority (EDA) meeting held earlier in the evening previous to this Council meeting. City Manager Schwerm stated that Elevage has applied for the Demolition Permit and the Footings and Foundations Permit to begin construction. The projected start date is December 12, 2016. Demolition of the vacant properties should help prevent strangers from loitering. Also, a construction fence is required to secure the site during construction. Staff will emphasize this requirement with Elevage.

Mayor Martin stated that the Neighborhood Watch Captains have done a good job of contacting the Ramsey County Sheriff. There should also be a City request to the Sheriff for surveillance at key times in the evening.

Ms. Marcia Fegus, 3538 Rustic Place, stated that because of the setback of her home and her neighbor to the rear, there is 100 feet that is totally dark at night. Her neighbor's dogs bark continually at night as if people were walking through that area. It is particularly scary for those living alone and for others who have spouses that travel. Putting up fencing around the construction site would be great if it could happen immediately. One neighbor, who has a dog, had his gate kicked in.

Mr. Richard O'Neil, 3530 Rustic Place, reported that the street lights on Rustic Place have been dark for 4 or 5 weeks. Mayor Martin thanked Mr. O'Neil for that report. Staff will take care of the problem.

COUNCIL COMMENTS

Councilmember Johnson:

This is a sad time at Mounds View High School with the death of two students at the intersection of Highway 96 and Highway 10. Residents are asked to be vigilant with

attention to flashing lights from emergency vehicles, obeying the speed limit, especially with winter weather. Deepest sympathy to the affected families.

Councilmember Wickstrom:

The Shoreview Northern Lights Variety Band will hold its Holiday Concert Saturday, December 10, 2016. Tickets are available at City Hall or at the door the night of the concert. All are encouraged to attend.

Councilmember Springhorn:

Thoughts and prayers are with everyone at Mounds View High School. It has been moving to see all the kids at Irondale High School and Centennial High School and other schools wearing green in support of Mounds View students.

Katie Hahn, a 10th grader at Mounds View High School, was awarded the Caring Youth Award from the Shoreview Human Rights Commission.

Mayor Martin:

The next regular Council meeting on December 19, 2016, will be Councilmember Wickstrom's last meeting after 20 years of serving on the Council. A reception will be held that evening prior to the Council meeting at 6:00 p.m., in the Weddell Room of the Community Center. All are encouraged to attend.

On December 6, 2016, the indoor Farmers' Market will take place from 3:00 to 6:00 p.m., also in the Weddell Room.

CONSENT AGENDA

MOTION: by Councilmember Wickstrom, seconded by Councilmember Springhorn to adopt the Consent Agenda for December 5, 2016, and all relevant resolutions for item Nos. 1, through 9:

1. November 14, 2016 City Council Workshop Minutes
2. November 21, 2016 City Council Meeting Minutes
3. Receipt of Committee/Commission Minutes:
 - Environmental Quality Committee, November 28, 2106
4. Verified Claims in the Amount of \$1,313,686.86
5. Purchases
6. Developer Escrow Reduction
7. Approve Change Order #2, City Project 16-01 and 16-02
8. Approve Stop Sign at Erik Lane and Pond Drive
9. Approve Ordinance Summary for Publication - Ordinance Amending City Code 706, Tobacco Products.

Discussion:

Mayor Martin noted the Ordinance amendment on tobacco, No. 9, is the ordinance the Council took action on at the last meeting. This approval is for the ordinance summary for publication. Vendors have been notified that the ordinance will take effect in February.

ROLL CALL: Ayes: Johnson, Quigley, Springhorn, Wickstrom,, Martin
 Nays: None

PUBLIC HEARING

REVIEW OF 2017 BUDGET AND TAX LEVY

Presentation by Finance Director Fred Espe

Budget materials are available on the City's website, including the 2017 Budget Summary, Utility Operations, Community Benchmarks, Biennial Budget and CIP, and the Five-Year Operating Plan.

Objectives of the budget are:

- Balance the General Fund budget
- Maintain existing services and programs
- Fund infrastructure replacement
- Continue 5-year financial planning
- Meet debt obligations
- Maintain AAA bond rating
- Amend biennial budget
- Protect and enhance parks and recreational facilities
- Position City to address future challenges and opportunities, which include:
 - Maintain and revitalize neighborhoods
 - Encourage business expansion and reinvestment
 - Assist redevelopment opportunities
 - Utilize technology to improve services and communications

The 2017 levy is increasing \$417,774 over the 2016 levy, a 3.92% increase. This is \$8,919 more than the amount adopted in the biennial budget. The 2017 HRA levy is \$105,000. The City's taxable value is increasing 6.67% in 2017. Combining the taxable value with the levy means that the City's tax rate is decreasing 3.28%. The fiscal

disparities contribution, which helps reduce property taxes, is increasing 11.79%. Shoreview receives no state aid from the State of Minnesota.

The largest impact to the City levy is increases to the public safety contracts for police and fire service. In 2017, that increase is \$180,400, which is approximately 43% of the levy increase. The second largest impact is from capital funds used to replace City assets and streets. In 2017, Capital funds represent 27% of the levy increase. Wages and benefits will increase 2.5%. The projected decrease in revenue from licenses and permits is a small increase to the levy along with several other smaller items.

Total operating expenses will increase 2.9%. Operating expenses include the General Fund, all revenue funds, debt service, enterprise funds (utilities), internal service funds (garage), liability claims and short term disability fund. The majority of increases are with public safety. Increase in depreciation is a result of showing depreciation of the new water treatment plant. The majority of operating expenses is 24% for utilities, 23% for parks and recreation, 14% for public safety and 10% for general government.

Operating revenue is expected to increase 4.4%. Most of the increase in revenue comes from utility charges totaling \$750,000, 37%; and property taxes totaling \$311,250, 31%; and charges for services at 22%. Charges for services is higher in Shoreview because of the Community Center and the park and recreation programs.

Strategies that the City uses to minimize impact on the budget and tax levy include:

- Contract for police and fire protection
- Continued use of Lino Lakes correctional crews
- No contingency allowance
- Planning for long-term preventative maintenance
- High deductible health insurance plan
- Capitalize on debt refunding opportunities
- Maintain AAA bond rating

Ramsey County provides information on home values through the Ramsey County Assessor. This year the information received shows the following:

- The largest portion of homes (29%) will increase in value between 5% and 10%.
- Approximately 27% of homes in the City will see a value change from 0 to 5%.
- Approximately 7% of homes will see no change in value.
- Approximately 13% of homes will decrease in value.

The impact of the City tax levy on property taxes shows a decrease or no change to over 44% of homes; 20% of homes will see an increase of \$1.00 to \$100.00; and 17% of

homes will have an increase of \$101 to \$200. Properties that have an increase of \$500 or more represent 2% of homes in Shoreview.

The Ramsey County Assessor has indicated that the median value single-family home in Shoreview will increase from \$253,800 in 2016 to \$267,300 in 2017, which is an increase in value of 5.3%. The City portion of taxes for this increase in value would be \$22.47.

The largest share of property tax distribution on a median value home in Shoreview is 41%, which goes to Ramsey County, then 32.48% to the Mounds View School District and 22.47% to the City.

Comparing Shoreview to 28 other metro-area cities of similar population, City taxes for a median value home in Shoreview rank 5th lowest at \$846, which is 21% lower than the average of \$1,068. When taking into account all taxing jurisdictions (County, school district and others), Shoreview is 2.6% above the average.

Staff is recommending amendment of the 2017 budget and Capital Improvement Program (CIP), and adoption of the 2017 tax levy and 2017 utility rates.

Mayor Martin opened the public hearing. There were no comments or questions.

MOTION: by Councilmember Johnson, seconded by Councilmember Wickstrom to close the public hearing at 7:35 p.m.

ROLL CALL: Ayes - 5 Nays - 0

The City Council will take final action on the budget at the December 19, 2016 meeting.

Councilmember Quigley asked for clarification on fiscal disparities and the reason for not having a contingency fund. Mr. Schwerm explained that fiscal disparities is a metro area tax base sharing program that pools 40% of the value of commercial and industrial development. Shoreview's position has traditionally been as a slight net gainer. There have been some years where Shoreview contributed more in to the pool than it received. This year the City will receive a little more than contributed. The increase in revenue this year is attributed to the growth of office and commercial development in the metro area. Because Shoreview is almost totally developed and much of the recent redevelopment activity in Shoreview has been residential, which is not subject to fiscal disparities. Generally, Shoreview has been a slight gainer under the fiscal disparities program. Further, Mr. Schwerm stated that in the past the City has had a relatively small contingency fund as part of the budget. The contingency fund was dropped when a policy decision was made to add a 10% reserve to the General Fund balance policy for unanticipated expenditures.

Mayor Martin noted that 60% of the increase in the general fund tax levy is in fire and police protection. Capital funds are another large part of the increase because Shoreview plans for the future. Long-range planning is part of the budget. The City tax is still 21% below other similar sized cities. Mayor Martin commended staff for their excellent work and presentation on the budget.

PUBLIC HEARING VACATION REQUEST - BAUER/MCKENZIE, 1045 ISLAND LAKE AVENUE

Presentation by City Planner Kathleen Castle

The applicants seek vacation of a 12-foot walkway easement adjacent to their property. The walkway was platted as part of Island Lake Heights in 1948. The walkway is on the north side of Island Lake Avenue. The walkway is not improved with a trail or sidewalk. It was dedicated to Chatsworth Avenue, but that portion of Chatsworth has already been vacated. The applicant's property is immediately west of the walkway. There are four owners of the property at 1045 Island Lake Avenue; three are requesting the vacation, which is a majority as required by Code.

The walkway is being maintained as yard area. There is no City infrastructure in the walkway. It is unlikely the property would ever be used for a walkway because of adjoining residential land use, lack of public infrastructure and an existing trail network on Lexington Avenue and in the Island Lake Open Space. If vacated, the walkway property will accrue to adjoining properties at 1045 and 1037 Island Lake Avenue.

Notice was published about the public hearing and mailed to affected property owners. The property owner at 1037 questioned the process, Code requirements and impact to individual property. Staff is recommending adoption of the vacation.

Mayor Martin asked about vacation of the walkway on the south side of Island Lake Avenue. Ms. Castle explained that vacation can only occur through petition of property owners or initiation by the City Council.

Councilmember Wickstrom noted that the walkway on the south side would become part of public property if vacated, which she would be less inclined to support.

City Attorney Beck stated that the public hearing notice is in order.

Mayor Martin opened the public hearing. There were no comments or questions.

MOTION: by Councilmember Wickstrom, seconded by Councilmember Johnson to close the public hearing at 7:55 p.m.

VOTE: Ayes - 5 Nays - 0

MOTION: by Councilmember Wickstrom, seconded by Councilmember Johnson to adopt Resolution 16-112 approving the vacation request submitted by Donald/Brenda Bauer and Robert/Teri McKenzie (1045 Island Lake Avenue) vacating the 12-foot walkway, north of Island Lake Avenue, between Lots 8 and 9, Block 1, Island Lake Heights.

ROLL CALL: Ayes: Quigley, Springhorn, Wickstrom, Johnson, Martin
 Nays: None

ADJOURNMENT

MOTION: by Councilmember Johnson, seconded by Councilmember Wickstrom to adjourn the meeting at 7:55 p.m.

VOTE: Ayes - 5 Nays - 0

Mayor Martin declared the meeting adjourned.

THESE MINUTES APPROVED BY COUNCIL ON THE 19th DAY OF DECEMBER 2016.

Terry Schwerm
City Manager